

**PHILIP MORRIS**

**GOVT**

**WEEKLY  
CONFIDENTIAL  
REPORT**

5-26-87

Andrew,

Please keep in  
your files

gac

May 13, 1987

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Barb  
Rita

Iowa  
indus

just before the State Legislature adjourned for the year. Letters, petitions and constituent phone calls were the difference.

and the tobacco  
se tax increase

Virginia - Hampton City Council, after amending the cigarette tax increase proposal from 5 to 3 cents, adopted the measure unanimously. The new tax rate is now 13 cents per pack. The increase, effective 7/1/87, was one of several revenue increase measures imposed to offset \$3.5 million reduction in local funding for the area. Other tax increases included lodging (4% to 5%), retail sales and bingo gross receipts.

On the western side of the state, ROANOKE cigarette tax was HIKED from 2 to 5 cents last week.

Minnesota - Conference Committee of Senate and House of Representatives deciding on fate of a 15-cent cigarette tax hike. SMOKELESS TOBACCO COUNCIL circulated a memo pointing out that MINNESOTA cigarette tax is the same or lower in neighboring states. The Council believes that "no increase in the smokeless tobacco tax warranted regardless of what you do with regard to the cigarette tax."

Ohio - State Legislature looking at possible 4 cent hike in cigarette excise tax. RJR representatives went on record publicly advocating other commodities to tax to raise the revenue. TI and PM-USA not involved in this statement.

SAMPLING/ADVERTISING

Maine - State Legislature sent weakened vending machine bill to Governor. The measure requires cigarette machines to be inaccessible to minors or to be under adult supervision. Similar limits failed in Oregon.

California - Outdoor advertising ban gets airing next week in Senate Appropriations Committee.

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